

**Department of Management and Budget  
Acquisition Services**

**Report of Proposed Changes in Excess of \$500,000  
To Current Contracts for Computer Software Development,  
Hardware Acquisition, or Quality Assurance**

Sec. 713 of Public Act 161 of 2003

(July 6, 2004)

June 16, 2004

**BID TABULATION AND RECOMMENDATION FOR AWARD  
DEPARTMENT OF MANAGEMENT AND BUDGET  
ACQUISITION SERVICES**

**CONTRACT DESCRIPTION:** 071B3001210 - Health Alert Network Services -  
Department of Community Health

**CONTRACT PERIOD -**

**BASE YEAR(S):** 3/17/03 - 9/30/03 (6 months)

☐ - **OPTION 1** N/A

☐ - **OPTION 2** N/A

☐ - **OPTION 3** N/A

**CONTRACTOR:**  
Virtual Alert, Inc., La Jolla, CA

**INCREASE**  
\$1,643,691.00

☐ - **Check if a Michigan-based Business**

☒ - **Check if AS1 received by Acquisition Services and reviewed by DMB**

☒ - **Check if request is to extend contract (no option in base contract) - Time period of extension:** 9/30/04 through 9/30/06 (2 years)

☐ - **Check if extension request is beyond option year(s) - Time period of extension:** N/A

**PURCHASE JUSTIFICATION:**

**Description of Product Service Requested:** The Michigan Health Alert Network web portal is a critical activity of the Department of Community Health, Office of Public Health Preparedness. The portal allows for rapid dissemination of alerts by text to speech and e-mail. Personnel from each of Michigan's local health departments and hospitals have been trained and participate in receiving and sending alerts through the portal. The system has been utilized several times for sending alerts regarding chemical spills, measles exposures and other serious health threats and has proven itself to be an extremely effective and efficient means of notification. This Contract had been extended once to 9/30/04.

**Purpose/Business Case of New Contract, Amendment, or Extension and Expected Outcomes:** The extension of this contract with Virtual Alert will assure the continuity and expansion of this under-girding activity of public health preparedness. The company has provided outstanding service in the maintenance and upgrading of the hardware and software, which comprises the Michigan Health Alert Network web portal. This contract extension provides the Office of Public Health Preparedness with several options for adopting new functionality, which can strengthen Michigan's preparedness for a public

health emergency and meet the requirements for continued funding from the Center for Disease Control and Prevention.

**Commitment:** Prices are fixed for the duration of the contract.

**Funding Source:** 100% Federal Funds

**Risk Assessment:** If the contract with Virtual Alert is not extended, the Michigan Health Alert Network and it's over 1,800 participants would be without vital emergency communications system and could potentially contribute to morbidity and mortality in a public health emergency.

**Cost Reduction Consideration: Negotiated Savings:** \$523,791.00. This constitutes a 26% discount on hardware, software, Training and Maintenance.

**PRICE CLAUSE:** Fixed price.

**CS-138:** #084S3000018

**ORIGINAL CONTRACT AMOUNT:** \$1,216,935.70

**CURRENT CONTRACT AMOUNT:** \$1,216,935.70

**PROPOSED AMENDMENT INCREASE AMOUNT:** \$1,643,691.00

**PERCENTAGE OF CHANGE BETWEEN AMENDMENT AND ORIGINAL CONTRACT AMOUNT:** 135%

**PERCENTAGE OF CHANGE BETWEEN AMENDMENT AND CURRENT CONTRACT AMOUNT:** 135%

**ESTIMATED 04 FISCAL YEAR INCREASE:** None

**NEW TOTAL CONTRACT COST:** \$2,860,626.70

☒ Check if > \$500,000 for software development, computer hardware acquisition or quality assurance?

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**Buyer Signature**

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**Manager Signature**

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**Division Director Signature**

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**Acquisition Services Director Signature**